

## **FY 2008 Annual Program Performance Measures**

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**DEPARTMENT:** MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

**APPROPRIATION UNIT:** BUREAU of WORKERS and UNEMPLOYMENT COMPENSATION

**PROGRAM:** Wage and Hour Division

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**TIMELINE:**

October 1, 2008 through September 30, 2009

**PROGRAM STATEMENT**

The Wage & Hour Division is responsible for administration and enforcement of four (4) state laws:

1. Payment of Wages & Fringe Benefits Act, Act 390 of 1978;
2. Michigan Minimum Wage Act, Act 154 of 1964;
3. Youth Employment Standards Act, Act 90 of 1978;
4. Prevailing Wage Act, Act 166 of 1965.

**FUND SOURCE:**

State Restricted Funds

**LEGAL BASIS:**

See Program Statement

**CUSTOMER IDENTIFICATION:**

Customers - Citizens of the State of Michigan

Stakeholders - Governors Office; citizens of the State of Michigan

The Division provides a service to individuals seeking unpaid wages or fringe benefits, through the investigation of claims and disbursement of collections received. The Division educates employers about their legal responsibilities pertaining to wages, fringe benefits, minimum wage & overtime issues; regulates the safety of minors in the workplace; establishes and issues prevailing wage rates for state construction projects; and, handles over 35,000 informational telephone calls annually, as well as hundreds of e-mails and other contacts, and conducts thousands of informational contacts yearly.

During the period of October 1, 2007 through September 30, 2008:

- July 1, 2008, Michigan Minimum Wage increased to \$7.40, the third increase in 3 years. As a result, the division made nearly 6,000 public contacts regarding changes in the law.
- The Division received 7,184 claims, an 11% increase from the previous fiscal year. The largest number of increased claims came from Minimum Wage complaints. Wage & Hour investigators completed 7,776 investigations, an increase of 7%, from the previous year. The largest number again from Minimum Wage. 71% of investigations were completed within 90 days of the claim opening and 72% of completions were resolved informally.

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- The Division collected for Michigan workers \$2,628,451.00 in unpaid wage claims. This number represents the second highest Wage & Hour collections on record.

**CHALLENGES:**

Normal day-to-day efforts to keep up with caseload---as unemployment rises/stays high, we see an increase in complaints from workers on non-payment/lack of full pay. Also, we are trying to image claims and files, to ensure greater access and speed in resolution of complaints. Additionally, retirements have taken several veteran investigators resulting in training of investigators while the FTEs remained the same, and veteran investigators and energized new and full-trained investigators are to be commended to their dedication to Michigan workers, and employers, in resolving wage complaints.